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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte THOMAS C. CHUANG

Appeal 2008-2081
Application 10/691,286
Technology Center 3600

Decided: January 27, 2009

Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and BIBHU
R. MOHANTY, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a Final Rejection of claims 23, 24, 28, and 29 which are the only claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellant invented a computer implemented method for managing inventory of a disk rental system (Specification 1).

Claim 23 under appeal reads as follows:

23. A computer implemented method for managing inventory of a disk rental system comprising:
generating a user queue data structure comprising:
a list of ordered disk identifiers associated with user selected disks;
a status identifier for each disk identifier, the status identifiers including a checked out status, available status, and unavailable status;
maintaining a database of user queue data structures corresponding to a plurality of users;
generating an optimized purchase price for a disk identifier with a checked out status comprising searching the database of user queue data structures to identify the frequency of appearance of the disk identifier in all user queue data structures; and
storing the optimized purchase price in the user queue data structure and displaying the optimized purchase price to the user.

The Examiner rejected claims 23, 24, 28, and 29 under 35 U.S.C. § 112, first paragraph as failing to comply with the written description requirement.

The Examiner rejected claims 23, 24, 28, and 29 under 35 U.S.C. § 112, first paragraph as failing to comply with the enablement requirement.

The Examiner rejected claims 23, 24, 28, and 29 under 35 U.S.C.

1 § 112, second paragraph as being indefinite for failing to particularly point
2 out and distinctly claim the subject matter which Appellant regards as the
3 invention.

4
5 ISSUES

6 Has Appellant shown that the Examiner erred in holding that there is
7 no written description support as required by 35 U.S.C. § 112, first
8 paragraph, for the recitation in claims 23 and 29 of (1) generating a user
9 queue comprising status identifiers including available and unavailable
10 status and (2) generating an optimized purchase price comprising searching
11 the database of user data structures to identify the frequency of appearance
12 of the disk identifier in all user queue data structures and for the recitation in
13 claim 24 of sending a query to determine whether the user wishes to receive
14 additional packaging associated with the disk identifier?

15 Has the Appellant shown that the Examiner erred in holding that
16 claim 23 does not comply with the enablement requirement of 35 U.S.C. §
17 112, first paragraph because it is not clear how the optimized purchase price
18 is generated?

19 Has the Appellant shown that the Examiner erred in holding that
20 claim 23 does not comply with the requirements of 35 U.S.C. § 112, second
21 paragraph because the Specification does not disclose an available and an
22 unavailable status and therefore the claims are unclear?

FINDINGS OF FACT

1
2 1. Appellant discloses a method of managing an inventory of a disk
3 rental system which includes generating a user queue data structure which
4 includes a list of ordered disk identifiers and a status identifier for each disk
5 identifier [0027]. The status identifier includes a “Checked Out” list, a
6 “DVD in Queue” list and an “Awaiting Release” list [0027]. Appellant’s
7 Specification discloses that the DVDs in the “Awaiting Release” list are “not
8 yet available” [0070]. The Specification also discloses that once the DVDs
9 are released or become “available” they are placed on the bottom of the
10 rental queue [0070].

11 2. Appellant’s Specification discloses that a price generation process
12 includes the step 510 of evaluating the inventory resources ([0051], Figure
13 5B). The rental pattern, both historical and current of the DVD across all
14 users is also evaluated at step 512 to determine the inventory use [0051].

15 3. In order to determine a price for the DVD, the method first
16 determines a baseline used price which may be the wholesale price paid by
17 the website plus the desired profit or the current market rate [0050].

18 4. The method then determines whether the inventory resources
19 exceeds the inventory use for the DVD and thus whether an excess capacity
20 threshold has been met [0051 to 0052]. Inventory use is calculated by
21 determining the frequency of appearance of the DVD on all user queues
22 [0051].

23 5. The inventory use is used to calculate a price modification factor
24 which is applied to the baseline used price. This modification factor may be
25 proportional to the extent of the excess capacity and reduces the baseline

1 used price by 10 to 30 percent or reduces the baseline used price
2 proportional to the extent of excess capacity [0053].
3 6. The user may elect to purchase a DVD which is in the users
4 possession [0067]. The user may elect to receive the jewel case for an
5 additional price ([0068], Figure 4).
6

7 PRINCIPLES OF LAW

8 *Written Description*

9 The test for determining compliance with the written description
10 requirement of 35 U.S.C. § 112, first paragraph, is whether the disclosure of
11 the application as originally filed reasonably conveys to the artisan that the
12 inventors had possession at that time of the later claimed subject matter,
13 rather than the presence or absence of literal support in the specification for
14 the claim language. *In re Kaslow*, 707 F.2d 1366, 1375 (Fed. Cir. 1983).
15 The content of the drawings may also be considered in determining
16 compliance with the written description requirement. *Id.*
17

18 *Enablement*

19 An analysis of whether the claims under appeal are supported by an
20 enabling disclosure requires a determination of whether that disclosure
21 contained sufficient information regarding the subject matter of the appealed
22 claims as to enable one skilled in the pertinent art to make and use the
23 claimed invention. The test for enablement is whether one skilled in the art
24 could make and use the claimed invention from the disclosure coupled with
25 information known in the art without undue experimentation. *See United*

1 *States v. Telectronics, Inc.*, 857 F.2d 778, 785 (Fed. Cir. 1988), *cert. denied*,
2 490 U.S. 1046 (1989); *In re Stephens*, 529 F.2d 1343, 1345 (CCPA 1976).
3 Some enablement experimentation, even a considerable amount, is not
4 “undue” if, e.g., it is merely routine, or if the specification provides a
5 reasonable amount of guidance as to the direction in which the
6 experimentation should proceed. *In re Wands*, 858 F.2d 731, 737 (Fed. Cir.
7 1988). The “undue experimentation” component examines (1) the quantity
8 of experimentation; (2) the amount of direction or guidance present; (3) the
9 presence or absence of working examples; (4) the nature of the invention;
10 (5) the state of the prior art; (6) the relative skill of those in the art; (7) the
11 predictability or unpredictability of the art; and (8) the breadth of the claims
12 (hereinafter, “*the Wands factors*.”) *Id.* at 737. The Examiner’s analysis of
13 the “undue experimentation” component must consider all the evidence
14 related to each of the *Wands factors*, and any conclusion of non-enablement
15 must be based on the evidence as a whole. *Id.* at 737, 740; *see the Manual*
16 *of Patent Examining Procedure* (MPEP) § 2164.01(a).

17 18 *Indefiniteness*

19 The second paragraph of 35 U.S.C. § 112 requires claims to set out
20 and circumscribe a particular area with a reasonable degree of precision and
21 particularity. *In re Johnson*, 558 F.2d 1008, 1015 (CCPA 1977). In making
22 this determination, the definiteness of the language employed in the claims
23 must be analyzed, not in a vacuum, but always in light of the teachings of

1 the prior art and of the particular application disclosure as it would be
2 interpreted by one possessing the ordinary level of skill in the pertinent art.
3 *Id.*

4 The examiner's focus during examination of claims for compliance
5 with the requirement for definiteness of 35 U.S.C. § 112, second paragraph,
6 is whether the claims meet the threshold requirements of clarity and
7 precision, not whether more suitable language or modes of expression are
8 available. Some latitude in the manner of expression and the aptness of
9 terms is permitted even though the claim language is not as precise as the
10 examiner might desire. If the scope of the invention sought to be patented
11 cannot be determined from the language of the claims with a reasonable
12 degree of certainty, a rejection of the claims under 35 U.S.C. § 112, second
13 paragraph, is appropriate.

14 15 ANALYSIS

16 *Written Description*

17 We agree with the Appellant that the Specification provides written
18 description support for the recitation in claims 23 and 29 for a status
19 identifier that includes an available status and an unavailable status. In our
20 view, the Specification clearly discloses that DVD's that are not yet released
21 are unavailable and DVD's that are released are available (FF 1).

22 In regard to the step of generating an optimized purchase price, the
23 Examiner is of the view that Appellant's Specification does not include a
24 written description that the price is generated by identifying the frequency of
25 appearance of a disk identifier. However, the Specification teaches that the

1 price for a DVD is calculated by first determining a baseline used price and
2 then determining whether there is an excess capacity. The determination of
3 whether there is an excess capacity is made by identifying the frequency of
4 appearance of the DVD on all user queues (FF 4). If there is an excess
5 capacity, the market used price is discounted by a chosen amount.
6 Therefore, there is written description support for the step of generating an
7 optimized purchase price by identifying the appearance of the disk identifier
8 in all user queue data structures.

9 There is also written description support for the recitation in claim 24
10 of sending a query to determine whether the user wishes to receive
11 additional packaging associated with the disk identifier. The Specification
12 teaches that the user may elect to receive the jewel case for an additional
13 price (FF 6).

14 In view of the forgoing, we will not sustain the Examiner's rejection
15 of claims 23, 24, 28, and 29 under 35 U.S.C. § 112, first paragraph as failing
16 to comply with the written description requirement.

17
18 *Enablement*

19 The Examiner held that it is not clear how the optimized purchase
20 price is generated. The Examiner concludes that undue experimentation
21 would be involved in practicing the generating the optimized purchase price
22 step. However, the Examiner has not discussed the *Wands factors*. For
23 example, the Examiner has not discussed the level of skill in the art and the
24 direction provided in the Specification to generate an optimized price and
25 thus has failed to establish a *prima facie* case of nonenablement.

1 We note that the Specification discloses that a baseline used price
2 which is the wholesale price paid by the website plus the desired profit or
3 the current market rate is first calculated (FF5). Then the claimed method
4 determines whether there is an excess capacity of the DVD in the inventory
5 and if so the DVD is discounted by a price modification factor (FF 4 and FF
6 5). As such, in our view, the Appellant has explained how the optimized
7 purchase price is generated. We note that claim 23 calls for the generating
8 an optimized purchase price step to *comprise* searching the database of user
9 queue data structures to identify the frequency of appearance of the disk
10 identifier in all user quest data structures. As such, the claim recites that one
11 of the steps in the optimizing purchase price generating step is searching the
12 data queue structures of all users not, as the Examiner has stated, that the
13 number of times the DVD appears in users' queues alone is used to
14 determine the optimized price. As is clear from the specification, this
15 searching step is used to determine if there is an excess capacity. If there is
16 an excess capacity, the price of the DVD is determined.

17 In view of the forgoing, we will not sustain the Examiner's rejection
18 of claims 23, 24, 28, and 29 under 35 U.S.C. § 112, first paragraph as failing
19 to comply with the enablement requirement.

20
21 *Indefiniteness*

22 The Examiner concluded that claims 23, 24, 28, and 29 are indefinite
23 under 35 U.S.C. § 112, second paragraph because the Specification does not
24 disclose an available and an unavailable status and therefore the claims are
25 unclear. As we discussed above in regard to the rejection under 35 U.S.C. §

1 112, first paragraph, the Specification discloses that when the DVDs have
2 not been released, the DVDs are unavailable and that after release the DVDs
3 are available. Therefore, we find the recitation of an available and
4 unavailable state in claims 23, 24, 28, and 29 to be clear. As such, we will
5 not sustain the Examiner's rejection under the second paragraph of 35
6 U.S.C. § 112.

7
8 **CONCLUSION OF LAW**

9 On the record before us, Appellant has shown that the Examiner erred
10 in rejecting the claims under 35 U.S.C. § 112, first and second paragraphs.

11
12 **DECISION**

13 The decision of the Examiner is reversed.

14
15 **REVERSED**

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23 IP LAW OFFICE OF THOMAS CHUANG
24 P.O.BOX 77174
25 SAN FRANCISCO, CA 94107-7174
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